

**DOHERTY
RUMBLE
& BUTLER**
PROFESSIONAL ASSOCIATION

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Attorneys at Law

Writer's direct dial number:

(612) 291-9411

Reply to Saint Paul office

November 29, 1990

INTERSTATE COMMERCE COMMISSION
12th Street and Constitution Avenue NW
Washington, DC 20423

Attn: Room 2303/Recording Officer

Re: Documents for Recordation

Dear Sir or Madam:

Enclosed for filing with your office are the following documentsx
(which need to be filed in the following order):

1. Agreement for leasing between Cargill Leasing Corporation and Western Fuels Association, Inc.
2. Coop Lease between Western Fuels Association, Inc. and Cargill Leasing Corporation; and
3. Loan and Security Agreement between Cargill Leasing Corporation and St. Paul Bank for Cooperatives.

Two fully executed and notarized copies of each document are enclosed. After completion of filing, it is my understanding that one original of each document will be returned to me.

The names and addresses of the parties to the documents are as follows:

Cargill Leasing Corporation *Russell*
15407 McGimty Road West
Minnetonka, MN 55345

Western Fuels Association, Inc. *Russell*
Magruder Building
1635 M Street NW
Washington, DC 20036-3210

St. Paul Bank for Cooperatives *assigned*
375 Jackson Street
St. Paul, MN 55101

A general description of the property and/or equipment subject to the lease agreements and loan and security agreement is as follows:

17093

NOV 30 1990 10 50 AM

INTERSTATE COMMERCE COMMISSION

0-334A012

17093-B

NOV 30 1990 10 50 AM

INTERSTATE COMMERCE COMMISSION

NOV 30 10 44 AM '90
MOTOR OPERATING UNIT

DOHERTY
RUMBLE
& BUTLER

PROFESSIONAL ASSOCIATION

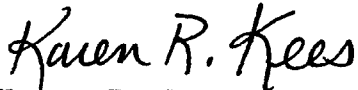
Interstate Commerce Commission
November 29, 1990
Page 2

One Hundred Twenty (120) Aluminum BethGon Coalporter
Cars, 110-ton nominal capacity, Numbered WFAX 90,000
through WFAX 90,119, inclusive.

Our check in the amount of \$45.00 is enclosed to cover the filing
fee.

Should you have any questions or require additional information,
please contact the undersigned at the number listed herein.

Very truly yours,



Karen R. Kees
Legal Assistant

KRK078.ltr/elo
Enclosures

17093 -B
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INTERSTATE COMMERCE COMMISSION

INDEX

LOAN AND SECURITY AGREEMENT

<u>Article</u>		<u>Page</u>
I	Definitions.	1
II	Security.	3
III	Loan and Issue and Execution of Notes.	6
IV	Replacement of Notes.	7
V	Prepayment of Notes.	7
VI	Application and Payment of Income and Proceeds from Estate.	8
VII	Covenants of Borrower.	10
VIII	Events of Default; Remedies of Lender.	11
IX	No Duties.	14
X	Offset.	15
XI	Miscellaneous.	15

17093 B

LOAN AND SECURITY AGREEMENT

NOV 30 1990 10 50 AM

INTERSTATE COMMERCE COMMISSION

LOAN AND SECURITY AGREEMENT dated as of November 29, 1990, between CARGILL LEASING CORPORATION, a Delaware corporation (the "Borrower"), and ST. PAUL BANK FOR COOPERATIVES, a corporation organized under the laws of the United States (the "Lender").

WHEREAS, This Loan and Security Agreement (the "Loan Agreement") and that certain Participation Agreement of the same date by and among Western Fuels Association, Inc., a Wyoming corporation ("Lessee"), Borrower, and Lender (the "Participation Agreement") collectively contemplate that by mutual agreement of the parties thereto and subject to the terms and conditions hereof and thereof, Borrower will borrow money from Lender hereunder to finance, in part, the purchase of equipment to be leased to Lessee under a lease substantially in the form set forth in Schedule 1 to Exhibit A to the Participation Agreement, which lease incorporates by reference that certain Agreement for Leasing attached as Exhibit B to the Participation Agreement; and

WHEREAS, in order to secure the obligations of the Borrower hereunder, Borrower hereby grants to Lender a security interest in the Estate (as hereinafter defined).

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.1. Definitions. In this Loan Agreement, unless the context otherwise requires:

(a) The terms defined herein and in any agreement executed in connection herewith include the plural as well as the singular and the singular as well as the plural. Except as otherwise indicated, all agreements defined herein refer to the same as from time to time amended or supplemented or the terms thereof waived or modified in accordance herewith and therewith.

(b) The following terms shall have the respective meanings set forth below:

"Alterations" relative to a Unit shall have the meaning set forth in the Coop Lease Applicable to such Unit.

"Basic Rent" relative to the Coop Lease shall have the meaning set forth in the Coop Lease.

"Coop Lease" shall have the meaning given or referred to in the Agreement for Leasing.

"Coop Lease Applicable To" a specified Unit shall mean the Coop Lease in which such Unit is identified.

"Default" shall mean an event or circumstance which, after the giving of notice or lapse of time, or both, would mature into an Event of Default.

"Equipment Cost Of" a specified Unit shall mean the amount identified as such in and set forth in or determined as prescribed by the Coop Lease Applicable To that Unit.

"Estate" shall mean all of the properties, claims, or rights at any time subject to or intended to be subject to the security interest of this Loan Agreement pursuant to Section 2.1 hereof for the benefit of Lender.

"Event of Default" shall have the meaning set forth in Section 8.1 hereof.

"Event of Loss" relative to a Unit shall have the meaning set forth in the Coop Lease Applicable To that Unit.

"Guarantee" shall be a guarantee by and between Borrower, as beneficiary, and Lender, as guarantor, of even date herewith.

"Notes" shall mean those promissory notes created pursuant to this Loan Agreement.

"Note Applicable To" a specified Unit shall mean the note issued by Lessor in accordance herewith in exchange for Lender's loan used to finance in part the purchase of such Unit.

"Overdue Rate" relative to a Coop Lease shall have the meaning set forth in the Coop Lease.

"Prescribed Financing Rate", in respect of the transactions contemplated by the Commitment Letter shall mean the interest rate designated as such in and set forth in or determined as prescribed by the Commitment Letter.

"Prescribed Payment Dates", in respect of the transactions contemplated by the Commitment Letter, shall mean the dates described as such in and set forth in or determined as prescribed by the Commitment Letter.

"Supplemental Rent" relative to the Coop Lease shall have the meaning set forth in the Coop Lease.

"Units" shall mean those things identified as Units in Exhibit B hereto.

(c) As used herein, the terms "Affiliates", "Agreement for Leasing", "Assignment", "Assignment Agreement",

"Business Day", "Coal Purchase Contract", "Commitment Letter", "Indemnatee", and "Person" shall have the respective meanings given or referred to in the Participation Agreement.

ARTICLE II SECURITY

SECTION 2.1 Grant of Security Interest. As security for the due and punctual payment of principal and interest under all of the Notes according to their terms, and the performance by Borrower of all the covenants made by it in this Loan Agreement or the Participation Agreement or in any agreement, document, or certificate delivered in connection herewith or therewith, the accuracy of the representations and warranties of Borrower contained in the Participation Agreement and the performance by Lessee of its covenants and the accuracy of Lessee's representations and warranties contained in the Participation Agreement or the Coop Lease which are or may be in favor of Lender, Borrower hereby grants to Lender a security interest in:

(a) All of Borrower's right, title, and interest in and to the Coop Lease and as it may be supplemented or amended hereinafter, and all payments thereunder and proceeds thereof except any such payments or proceeds due Lessor pursuant to Section 14 of the Agreement for Leasing;

(b) All of Borrower's right, title, and interest in and to the Units, including all Alterations to any such Unit and all parts, components, and the like incorporated or installed or attached to any such Unit to the extent title thereto vests in Borrower pursuant to Section 8(d) of the Coop Lease Applicable To such Unit now owned or hereafter acquired and all proceeds thereof; provided, however, that any payments or amounts which have been distributed to Borrower by Lender in accordance with the provisions of this Loan Agreement shall no longer be subject to the security interest of this Loan Agreement; and

(c) All of Borrower's right, title, and interest in, to, and under (i) all "fixed costs" amounts payable under the Coal Purchase Contract to the extent such "fixed costs" relate to or are connected with the Coop Lease, the Participation Agreement, or any transaction related to or connected with either thereof, (ii) any and all proceeds of the obligations to pay such "fixed costs", (iii) any and all claims, damages, or other amounts (and proceeds of such claims) arising out of the non-payment of such "fixed costs", (iv) any and all rights of Borrower to compel performance of the payment of such "fixed costs" under the Coal Purchase Contract, (v) the Assignment,

(vi) the interest of Lessee under that certain Equipment Purchase Contract between Lessee and Bethlehem Steel Corporation dated October 4, 1990, (vii) the Assignment Agreement, (viii) the Bill of Sale of Bethlehem Steel Corporation in favor of Borrower dated November 29, 1990, and (ix) any and all proceeds with respect to the foregoing.

SECTION 2.2. Payments Under Lease. Borrower agrees to direct Lessee to make all payments to be made by it under the Coop Lease, including all payments of Basic Rent and Supplemental Rent under any thereof, except such Supplemental Rent payments due Lessor pursuant to Section 14 of the Agreement for Leasing, directly to Lender at its account ABA No. 296090471, St. Paul BK Coop or if different, in accordance with Lender's written instructions delivered at least ten (10) days prior to the date such instructions are to become effective, until such time as the obligations hereunder and under the Notes have been discharged. Without prejudice to the obligations set forth in the preceding sentence, Borrower agrees that should it receive any payment directed to be made to Lender or any proceeds for or with respect to the Estate or as the result of the sale of other disposition thereof it will promptly forward to Lender such portions of such payments as Lender would be entitled to retain pursuant to Section 6.1 hereof if the payment had been made to Lender as required hereby.

SECTION 2.3. Units to Remain Personal Property. The parties agree that it is their intention that each Unit and every part thereof is severed and shall be and remain severed from and not a part of any real property and, even if physically attached to any real property, shall retain the character of personal property, shall be removable, and by virtue of its nature as personal property, shall not be affected in any way by any instrument dealing with any real property.

SECTION 2.4. Release of Security Interest in Units. Lender shall release from the security and other interests created by Section 2.1 hereof:

(a) any Unit, in order to enable Lessee or Lessor to dispose of such Unit in accordance with Section 10(e) of the Coop Lease Applicable to such Unit; provided that Lender shall have received on or prior to the date of such release the payments in respect thereto required to be made by Section 6.1(c) hereof less the amount, if any, of offset to which Lessor is entitled pursuant to Article X hereunder; and

(b) all Units leased under a particular Coop Lease, upon receiving evidence satisfactory to Lender that: (i) no

Event of Default shall have occurred and be continuing, and (ii) Lender has received full payment of all principal and interest under the Notes Applicable To such Units and any other sums payable to it under the Coop Lease or this Loan Agreement or the Participation Agreement in relation to such Notes, such Units, or the Coop Lease less the amount, if any, of offset to which Lessor is entitled pursuant to Article X hereunder.

In connection with the foregoing, Lender shall, at the request and the expense of Borrower, execute and deliver to Borrower such termination statements or other instruments as shall be requisite to evidence the satisfaction and discharge of the security interest hereby created in such Units.

SECTION 2.5. Release of Security Interest in Estate. Upon receiving evidence satisfactory to Lender that: (i) no Event of Default shall have occurred and be continuing, and (ii) Lender has received full payment of all principal and interest under all the Notes and any other sums payable to it under the Coop Lease, the Participation Agreement, or this Loan Agreement less the amount, if any, of offset to which Lessor is entitled pursuant to Article X hereunder:

(a) the security interest and all other estates and rights granted by this Loan Agreement shall cease and become null and void and all of the property, rights, and interests granted as security for the Notes shall revert to and revest in Borrower without any other act or formality whatsoever; and

(b) Lender shall, at the request and at the expense of Borrower, execute and deliver to Borrower such termination statements or other instruments as shall be requisite to evidence the satisfaction and discharge of this Loan Agreement and the security interest hereby created, to release or reconvey to Borrower all the Estate, freed and discharged from the provisions herein contained with respect thereto, and to release Borrower from its covenants herein contained.

SECTION 2.6. Power of Attorney. Borrower hereby appoints Lender its attorney, irrevocably, with full power of substitution, to collect all payments due and to become due under or arising out of the Coop Lease, to enforce compliance by Lessee with all the terms and provisions of the Coop Lease and to exercise all rights of Lessor under the Coop Lease and to take any action (including the filing of financing statements or other documents) or institute any proceedings which Lender may deem to be necessary or appropriate to protect and preserve the interest of Lender in the Estate.

ARTICLE III
LOAN AND ISSUE AND EXECUTION OF NOTES

SECTION 3.1. Loan and Issuance of Notes. In respect of the transactions contemplated by the Commitment Letter and upon satisfaction of and compliance with the requirements and conditions thereof and as set forth in the Participation Agreement, Lender shall make a loan to Borrower as set forth in Section 3(a) of the Participation Agreement and the Commitment Letter, and a Note in an aggregate principal amount equal to such loan shall be executed by Borrower and delivered to Lender.

SECTION 3.2 Form. All of the Notes issued hereunder will be in substantially the form set forth in Exhibit A hereto.

SECTION 3.3. Security for and Parity of Notes. All Notes issued hereunder shall rank on a parity with each other Note and shall as to each other be secured equally and ratably by the Estate pursuant to this Loan Agreement, without preference, priority, or distinction of any thereof over any other by reason of difference in time of issuance or otherwise.

SECTION 3.4. Characteristics of Notes. The Note issued in connection with the transactions contemplated by the Commitment Letter shall be dated the date funds are disbursed by Lender as provided in Section 3.1 hereof and shall provide that it bear interest at the Prescribed Financing Rate on the unpaid principal thereof from and including its date to, but excluding, the date payment in full of the principal amount thereof is made. Such Note will provide for the payment of interest and principal on the Prescribed Payment Dates set forth in the Commitment Letter, commencing on the first thereof and ending on the last thereof. Such Note will provide for the payment on a given Prescribed Payment Date, subject to the remaining terms hereof and of such Note, equal to the amount computed in accordance with the Commitment Letter. Such Note will provide that principal and interest not paid when due shall bear interest at a rate equivalent to the Overdue Rate as set forth in the Coop Lease entered into in connection with the Commitment Letter for any period during which the same shall be overdue.

SECTION 3.5. Execution of Notes. All Notes shall be executed on behalf of Borrower by one of its authorized officers.

SECTION 3.6. Limitation on Source of Payments. All payments to be made by Borrower on all Notes and under this Loan Agreement shall be made only from the income or proceeds from the Estate. Lender, by its acceptance of such Notes,

agrees that it will look solely to the income and proceeds from the Estate and that Borrower shall not personally be liable for any amounts payable under such Notes or under this Loan Agreement, or for any liability under this Loan Agreement or the Participation Agreement. Nothing in this Section 3.6 shall limit or affect any liability of Borrower for damages with respect to the breach of the agreements of Borrower set forth in Article VII hereof or of the representations, warranties, or agreements of the Lessor set forth in the Participation Agreement.

SECTION 3.7. Payment. The principal and interest under each Note shall be payable to Lender in immediately available funds on the dates payment shall be due under such Note. If any Prescribed Payment Date shall not be a Business Day, the payment otherwise due thereon shall be due and payable on the next preceding Business Day.

ARTICLE IV REPLACEMENT OF NOTES

If any Note shall become mutilated or shall be destroyed, lost, or stolen, Borrower shall, upon the written request of Lender, execute and deliver in replacement thereof, a new Note, given the same letter designation, payable in the same original principal amount and dated the same date as the Note so mutilated, destroyed, lost, or stolen. Borrower shall make a notation on each new Note of the amount of all payments of principal theretofore made on the Note so mutilated, destroyed, lost, or stolen and the date to which interest on such old Note has been paid. If the Note being replaced has been mutilated, such Note shall be delivered to Borrower and shall be cancelled by it. If the Note being replaced has been destroyed, lost, or stolen, Lender shall furnish to Borrower an indemnity agreement of Lender to save Borrower and the Estate harmless from any loss, however remote, including claims for principal and interest under the purportedly destroyed, lost, or stolen Note, together with the written statement, signed by a duly authorized officer of Lender, advising as to the destruction, loss, or theft of such Note.

ARTICLE V PREPAYMENT OF NOTES

A Note shall be subject to prepayment in whole or in part only: (i) under the circumstances and to the extent required by Section 6.1(b) and (c) hereof, or (ii) if it shall have been accelerated in accordance with Section 8.3 hereof, in both of which events prepayment is required.

ARTICLE VI
APPLICATION AND PAYMENT
OF INCOME AND PROCEEDS FROM ESTATE

SECTION 6.1. Application of Payments. Any payments received and amounts to be paid to Lender pursuant to the Coop Lease shall forthwith upon receipt by Lender be paid and applied by Lender in the following order of priority:

(a) so much of such payments and amounts as shall be required to pay in full to Lender all reasonable costs or expenses, including reasonable attorney's fees and legal expenses, of collection hereunder, any reasonable costs or expenses relating to preservation, maintenance, use, or the like of the Estate, all reasonable costs and expenses, including reasonable attorney's fees and legal expense, incurred in exercising any rights pursuant to Section 8.4 hereof, and any amounts payable to it as Indemnatee or otherwise under the Coop Lease or the Participation Agreement shall be paid to Lender and applied against such costs, expenses, and amounts; next

(b) so much of such payments and amounts as shall be required to pay any accrued but unpaid interest to the date of such application on the principal amount of a Note to be prepaid as required by clause (i) of Article 5 hereof shall be paid to Lender and applied to such interest under such Note; next

(c) if (i) an Event of Loss to a Unit shall occur, then so much of such payments and amounts as shall be required to pay an amount equal to the aggregate unpaid principal of the Note Applicable To such Unit on the date of prepayment multiplied by a fraction, the numerator of which shall be the Equipment Cost Of such Unit and the denominator of which shall be the aggregate amount of the Equipment Cost Of all the Units to which that Note is applicable (and which Units had not theretofore suffered an Event of Loss for which prepayment had previously been received by Lender), shall be paid to Lender and applied as a prepayment of principal of such Note or, (ii) Lessee shall exercise any right of early termination granted pursuant to Section 23 of the Agreement for Leasing, provided the notice of early termination is not deemed withdrawn as set forth in Section 23, then the entire unpaid principal balance of and all accrued interest on the Notes shall become due and payable on the Termination Date (as defined in the Agreement for Leasing) with respect to such exercise; next

(d) so much of such payments and amounts as shall be required to pay any accrued but unpaid interest which is then

due and payable under any of the Notes, whether due as a required periodic payment of interest or by way of acceleration pursuant to Section 8.3 hereof, shall be paid to Lender and applied to such interest, it being understood that if accrued but unpaid interest is then due and payable under more than one of the Notes, such payment and amounts shall be so paid and applied against such interest in the reverse order in which it became due and payable, or if such interest became due and payable concurrently, then so paid and applied pro rata; next

(e) so much of such payments and amounts as shall then be required to pay in full the aggregate unpaid amount of principal which is then due and owing under any of the Notes, whether due as a periodic installment payment or by way of acceleration pursuant to Section 8.3 hereof, shall be so paid and applied, it being understood that if principal is then due and owing under more than one of the Notes, such payments and amounts shall be paid to Lender and applied against such principal in the reverse order in which it became due and payable, or if such principal became due and payable concurrently, then so paid and applied pro rata; and next

(f) the balance, if any, of such payments or amounts remaining thereafter shall be within two (2) Business Days, paid to Borrower in immediately available funds via wire transfer to (i) Chase Manhattan Bank, New York, New York, Account of Cargill Financial Services Corp., Account #910-2-523843 ABA No. 021-0000-21 for Cargill Leasing Corporation and Lender will notify Borrower at 612/475-7606 as to the exact company name and bank which is wiring the funds or (ii) as Borrower shall otherwise instruct Lender on not less than ten (10) days prior written notice.

SECTION 6.2. Early Payment. It is understood and agreed that Lender will be entitled to retain any payment made to Lender under the Coop Lease prior to the time it is due until it is due in an interest bearing account, at which time such payment and interest shall be applied as provided in Section 6.1 hereof.

SECTION 6.3. Certain Amounts to be Held in Case of Event of Default or Default. Anything in this Loan Agreement to the contrary notwithstanding, after Lender shall have knowledge of a Default or an Event of Default, all payments and amounts which, but for the provisions of this Section, would otherwise be distributable to Borrower may be held and retained by Lender as part of the Estate to be applied in due course as provided in Section 6.1 hereof; provided that if prior to application by Lender: (i) such Default or Event of Default shall have ceased to be continuing or; (ii) Lender shall not

have accelerated the Note issued in connection with the Coop Lease under which the Event of Default occurred pursuant to Section 8.3 hereof within thirty (30) days of the date Borrower shall have requested Lender in writing to so accelerate (but only if the Lender shall have the right to do so pursuant to the terms hereof), then such payments or amounts shall be distributable as elsewhere in this Article provided.

ARTICLE VII COVENANTS OF BORROWER

Borrower hereby covenants and agrees as follows:

SECTION 7.1. Borrower will follow all written instructions of Lender relative to any amendment to, or any waiver, discharge, or termination of, any term or provision of the Coop Lease or any consent thereunder, any declaration of a default thereunder or the exercise any rights or remedies thereunder, whether or not a Default or an Event of Default shall have occurred or be continuing; provided that if the subject matter thereof will affect the amount of Basic Rent or Supplemental Rent payable thereunder or the residual value of the Units leased thereunder, the same may be agreed to or given only upon the written agreement of Borrower and Lender; provided further that if an Event of Default shall occur under Section 16(a) of the Coop Lease and Lender shall fail to exercise its right to accelerate the Note issued in connection with the Coop Lease under which the Event of Default occurred pursuant to Section 8.3 hereof within thirty (30) days of the date that Borrower shall have requested Lender to so accelerate, and if such default shall be continuing at the end of such thirty (30) day period, then Lessor shall be entitled, at its option, to declare the Coop Lease in default and pursue, at its expense and subject to the rights of Lender hereunder, the remedies available to it under the Coop Lease.

SECTION 7.2. If the chief executive office of Borrower is to be relocated, Borrower shall give Lender fifteen (15) days prior written notice.

SECTION 7.3. If Borrower shall have actual knowledge of any Default or Event of Default hereunder or any Default or Event of Default under the Coop Lease, it shall promptly give notice thereof to Lender, it being understood that Borrower has no duty of inquiry relative to the existence of any Default or Event of Default.

SECTION 7.4. From time to time Borrower will do all such acts and execute all such instruments of further assurance as shall be reasonably requested by Lender for the purpose of

fully carrying out and effectuating this Loan Agreement and the intent hereof.

SECTION 7.5. Borrower will not, without the prior written consent of Lender, further assign, convey or transfer its interest in and to the Coop Lease or any of the Units, or any of its rights or obligations under the Participation Agreement, the Commitment Letter, this Loan Agreement, the Assignment, or the Notes; provided that, upon ninety (90) days prior written notice to Lender, Borrower may assign, convey, and transfer its interests under Coop Lease and the Units leased thereunder, subject always to the security interest of Lender therein, without the consent of Lender, (a) in connection with a merger, consolidation, or sale or the transfer of substantially all its assets to the extent permitted by clause (iii) of Section 5(b) of the Participation Agreement, or (b) if: (i) the transferee shall be an Affiliate of Borrower or a bank, insurance company, leasing company, or other financial institution, which entity, whether or not affiliated with Borrower, has net worth of at least \$25,000,000.00 or which has net worth of at least \$1,000,000.00 and which is a member of a financial reporting group with a consolidated net worth of at least \$25,000,000.00; (ii) the transferee agrees to and does assume, pursuant to a written agreement reasonably satisfactory to Lender, the obligations of Borrower under the Loan Agreement relative to such Units and Coop Lease and under the Note Applicable To such Units and makes representations and warranties to Lender substantially similar to those of Borrower as set out in the Participation Agreement; (iii) the transferee agrees to and does execute such financing statements and other agreements and instruments as Lender shall reasonably request; and (iv) the transferee is not in competition with Lessee. Upon any such assignment, the transferee shall be deemed, as between Lender and Borrower, the lessor under the Coop Lease and the Borrower in respect of the Note Applicable To the Units transferred and under this Loan Agreement for purposes of such Note and Coop Lease, with all rights and obligations deriving from its status as such.

ARTICLE VIII EVENTS OF DEFAULT; REMEDIES OF LENDER

SECTION 8.1. Event of Default. The term Event of Default, wherever used herein, shall mean the occurrence of any of the following events (for whatever reason):

(a) the occurrence of an Event of Default under and as defined in any of the Coop Lease; or

(b) a material failure by Borrower to observe or perform any of its obligations in this Loan Agreement, the

Notes, the Participation Agreement, or the Coop Lease or in any agreement, document, or certificate delivered in connection herewith or therewith, or a material breach of any representation or warranty of Borrower contained in the Participation Agreement and continuance of such failure or breach for a period of sixty (60) days after notice thereof by registered or certified mail shall have been given to Lessee and Borrower by Lender, specifying such failure and requiring it to be remedied.

SECTION 8.2. Enforcement of Remedies. After an Event of Default shall have occurred and be continuing hereunder, then and in every such case Lender may, without limitation but at its discretion: (i) subject to the rights of Lessee under the Coop Lease, pursue any and all of the remedies available pursuant to this Article VIII, and (ii) in the case of an Event of Default referred to in Section 8.1(a) hereof, pursue any and all of the remedies of Lessor available pursuant to the Coop Lease including, without limitation, through use of the power conferred on Lender by Section 2.6 hereof.

SECTION 8.3. Acceleration of Notes. Upon the occurrence and during the continuance of an Event of Default hereunder, Lender, in its discretion, may, if it has terminated the Coop Lease, declare the unpaid principal amount of any or all of the Notes with accrued interest thereon to be immediately due and payable, upon which declaration such principal amount and such accrued interest shall immediately become due and payable without further act or notice of any kind.

SECTION 8.4 Specific Remedies. Upon the occurrence and during the continuance of an Event of Default hereunder:

(a) At the request of Lender, Borrower shall promptly execute and deliver to Lender such instruments and other documents as Lender may reasonably deem necessary or advisable to enable Lender, or an agent or representative designated by Lender, at such time or times and place or places as Lender may specify, to obtain possession of all or any part of the Units. Lender may, to the extent permitted by applicable law, enter any premises where the Units are or are reasonably supposed to be and search for such Units and take possession of and remove such Units. Upon every such taking of possession, Lender may, from time to time, make all such expenditures for maintenance, insurance, repairs, alterations, additions, and improvements to and of such Units as it may deem necessary and proper. Lender shall have the right, to the extent permitted by applicable law, to maintain, use, operate, store, lease, control, or manage such Units and to carry on the business and to exercise

all rights and powers of Borrower relating to such Units as Lender shall deem necessary, including the right to enter into any and all such agreements with respect thereto as Lender may determine; and Lender shall be entitled to collect and receive all tolls, rents, revenues, issues, income, products, and profits of such Units and every part thereof and apply the same as provided in Article VI hereof; or

(b) Lender may proceed to enforce its rights hereunder by directing payment to it of all monies payable under any agreement or undertaking constituting part of the Estate, by proceedings in any court of competent jurisdiction for the appointment of a receiver or for the sale of all or any part of the Units, possession to which Lender shall at the time be entitled hereunder, or for foreclosure of such Units, and by any other action, suit, remedy, or proceeding authorized or permitted by this Loan Agreement or by law or by equity, and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have its claims asserted or upheld in any bankruptcy, receivership, or other judicial proceedings; or

(c) Subject to the provisions of Section 3.6 hereof, Lender shall have as to such of the Estate as is subject to the Uniform Commercial Code or similar law in each relevant jurisdiction all the remedies of a secured party thereunder and such further remedies as from time to time may hereafter be provided in such jurisdiction for a secured party. In exercising its power of sale relative to the properties, rights and interests comprising the Estate, Lender shall be entitled to add to the indebtedness evidenced by the Notes any and all reasonable expenses, including reasonable attorney's fees and legal expenses, incurred in such exercise. In exercising its power of sale under this Loan Agreement, Lender may sell, separately or together, such portion of or any part of the Estate, all as Lender may in its discretion elect. Lender agrees to use its best efforts to give Borrower reasonable notice of any proposed sales and Borrower shall not, if bids are solicited or the sale is by auction, be precluded from bidding.

SECTION 8.5. Rights and Remedies Cumulative. Each and every right, power, and remedy herein specifically given to Lender under this Loan Agreement shall be cumulative and shall be in addition to every other right, power, and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, each and all of which may be exercised from time to time and as often and in such order as may be deemed expedient by Lender, and the exercise or the beginning of the exercise of any power, or remedy shall not be construed

to be a waiver of the right to exercise at the same time or thereafter any other right, power, or remedy. No delay or omission by Lender in the exercise of any right, remedy, or power or in the pursuance of any remedy shall impair any such right, power, or remedy or be construed to be a waiver of any default on the part of Borrower or Lessee or to be an acquiescence therein.

SECTION 8.6. Restoration of Rights and Remedies. In case Lender shall have proceeded to enforce any right, power, or remedy under this Loan Agreement by foreclosure, entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to Lender, then and in every such case Borrower, Lender, and Lessee shall be restored to their former positions and rights hereunder with respect to the Estate, and all rights, remedies, and powers of Lender shall continue as if no such proceedings had been taken.

SECTION 8.7. Permissive Waiver. Any past Event of Default may be waived by the Lender, but only in writing, and no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

SECTION 8.8. Rescission and Annulment. If at any time after the principal of any Note shall have become due and payable by declaration by Lender, and before any judgment or decree for the payment of the money so due, or any thereof, shall be entered, all arrears of interest upon the Note and all other sums payable under the Note (except the principal of the Note which by such declaration shall have become payable) shall have been duly paid, and every other Default and Event of Default with respect to any covenant or provisions of this Loan Agreement shall have been made good or cured, then and in every such case Lender's declaration and its consequences may be rescinded and annulled by Lender, but only in writing, and no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

ARTICLE IX NO DUTIES

Except as specifically provided in this Loan Agreement, neither Lender nor Borrower shall have any duty to the other: (i) to take out any insurance on the Units or any other part of the Estate or to effect or maintain any such insurance, whether or not Lessee shall be in default with respect to the Coop Lease, other than to receive and hold any policies, cover notes, or binders furnished by such Lessee

pursuant to any of the Leases, (ii) except as may be provided in the Participation Agreement or the Coop Lease, to make any payment or otherwise discharge any tax, assessment, or other governmental charge or any security interest of any kind owing with respect to, assessed, or levied against, any part of the Estate or to make or file any reports or returns related thereto, (iii) to confirm, verify, or inquire into the failure of Lessee to send any reports or financial statements of Lessee or (iv) to inspect the Units or any part of the Estate at any time or ascertain or inquire as to the performance or observance of any of Lessee's covenants under the Lease.

ARTICLE X OFFSET

Notwithstanding anything to the contrary herein, Borrower shall have the right at any time to offset against all amounts that Borrower owes Lender under this Loan Agreement all amounts due Borrower, as beneficiary, from Lender, as guarantor, under the Guarantee. It is further agreed that Lender shall have the right at any time to offset against all amounts that Lender, as guarantor, owes Borrower, as beneficiary, under the Guaranty all amounts due Lender from Borrower under this Loan Agreement.

ARTICLE XI MISCELLANEOUS

SECTION 11.1. Governing Law. This Loan Agreement has been negotiated and delivered in the State of Minnesota and shall be governed by, and be construed in accordance with, the laws of the State of Minnesota notwithstanding its choice of laws provisions.

SECTION 11.2. Notices. All communications, notices and consents provided for herein shall be in writing and shall become effective when deposited in the United States mail with proper postage for certified mail, prepaid, addressed at the respective addresses of Lender, Borrower, and Lessee determined as provided in Section 12 of the Participation Agreement.

SECTION 11.3. Amendments. Neither this Loan Agreement nor any of the provisions of the Notes may be amended, waived, discharged, or terminated except by an agreement in writing signed by Borrower and Lender.

SECTION 11.4. Limitation as to Enforcement of Rights, Remedies, and Claims. Nothing in this Loan Agreement, whether express or implied, shall be construed to give to any Person other than Borrower and Lender any legal or equitable right,

remedy, or claim under or in respect of this Loan Agreement or any of the Notes.

SECTION 11.5. Severability of Invalid Provisions. Any provision of this Loan Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.6. Benefit of Parties, Successors, and Assigns; Entire Agreement. All representations, warranties, covenants, and agreements contained herein or delivered in connection herewith shall be binding upon, and inure to the benefit of, Borrower and its successors and, to the extent permitted hereby, assigns and Lender and its successors and assigns.

SECTION 11.7. Survival of Representations and Warranties. All representations and warranties made with respect to the Notes shall survive the execution and delivery of this Loan Agreement and the issue, sale, and delivery of the Notes and shall continue in effect so long as any note issued hereunder is outstanding.

SECTION 11.8. Counterpart Execution. This Loan Agreement and any amendment to this Loan Agreement may be executed in any number of counterparts and by the respective parties hereto and thereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute but one and the same instrument. Fully executed sets of counterparts shall be delivered to, and retained by, Borrower and Lender.

IN WITNESS WHEREOF, the parties hereto have each caused this Loan Agreement to be duly executed by their respective officers thereunto duly authorized as of the date first above written.

CARGILL LEASING CORPORATION

By: 

Its: _____

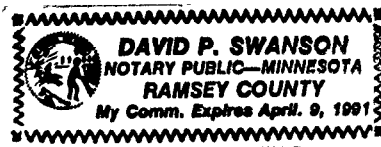
ST. PAUL BANK FOR COOPERATIVES

By:  RE

Its: SR. Vice President

STATE OF MINNESOTA)
COUNTY OF ^{RAMSEY} ~~HENNEPIN~~) SS

Before me, the undersigned authority, on this 29th day of November 1990, personally appeared Philip J. Martini, Vice President, Cargill Leasing Corporation; and Stuart Peterson, Senior Vice President, St. Paul Bank for Cooperatives; who, each being duly sworn, did declare with respect to their title only, that they are the Vice President, and the Senior Vice President of their respective corporations, and each declared that the foregoing instrument was executed on behalf of their respective corporations by authority of their respective Board of Directors, and each did declare and acknowledge that the said instrument is the free act and deed of their respective corporation.



David P. Swanson
Notary Public

My Commission Expires:

April 9, 1991

Exhibit A to Loan and Security Agreement

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MUST BE HELD INDEFINITELY UNLESS SO REGISTERED OR TRANSFERRED IN A TRANSACTION EXEMPT FROM REGISTRATION.

Date: _____ \$ _____

NON-RECOURSE
PROMISSORY NOTE
SECURED BY LEASE OBLIGATIONS OF
WESTERN FUELS ASSOCIATION, INC.
UNDER THAT CERTAIN COOP LEASE
OF EVEN DATE HEREWITH (THE "COOP LEASE")

CARGILL LEASING CORPORATION, a Delaware corporation (herein the "Borrower"), for value received, hereby promises to pay to the order of ST. PAUL BANK FOR COOPERATIVES (the "Lender"), or assigns (Lender and its assigns herein referred to as "Holder"), but only the funds designated below, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, _____ dollars and _____ cents (\$ _____) with interest on the principal balance hereof from time to time outstanding at the rate of _____ percent (____%) per annum from and including the date of this Note to but excluding the date payment in full of the principal amount hereof is made. Interest shall be computed on the basis of a year of three hundred sixty (360) days and twelve (12) months of thirty (30) days each. Principal and interest payments shall be made in installments on the dates designated in the Loan Schedule attached hereto, the amount of principal due and payable on a particular designated date being the result of multiplying: (i) the original principal balance of this Note reduced by the Equipment Cost Of the Units (as those terms are defined in the Coop Lease), if any, in respect of which a prepayment has been required and occurred as provided in Articles V and VI of that certain Loan and Security Agreement between Borrower and Lender of even date herewith, by (ii) the fraction set forth opposite such particular designated date, and the amount of interest due and payable on such date being all accrued but unpaid interest to such date, except that the last such installment shall be in an amount sufficient to discharge all unpaid principal of and accrued interest on this Note in full.

If any installment due hereunder is not paid when due, Borrower shall pay to Lender upon demand, or if no demand is made then upon the date such installment is paid, interest thereon, as an overdue charge, from the due date until payment at a rate equal to _____ percent (____%) per annum.

All payments of principal and interest to be made by Borrower on this Note and under the Loan and Security Agreement dated as of between Borrower and Lender ("Loan Agreement") shall be made only from the income or proceeds from the Estate (as defined in the Loan Agreement), and Holder, by its acceptance of this Note, agrees that it will look solely to the income and proceeds from the Estate and that Borrower shall not be personally liable to the owner and other holder hereof for any amounts payable under this Note.

This Note has been issued by Borrower pursuant to the terms of the Loan Agreement. Reference is hereby made to the Loan Agreement for a statement of the rights of the Holders, and the nature and extent of the security for, this Note, to all of which terms and conditions each Holder hereof agrees by its acceptance of this Note.

Except as provided in Article V of the Loan Agreement, this Note is not subject to prepayment.

In case an Event of Default (as defined in the Loan Agreement) shall occur and be continuing, the unpaid principal of the Note, together with accrued interest hereon, may be declared due and payable in the manner, with the effect, and subject to the conditions provided in the Loan Agreement.

Each payment under this Note shall be applied in the manner provided in the Loan Agreement.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed by one of its officers thereunto duly authorized as of the date hereof.

CARGILL LEASING CORPORATION

By: _____

Its: _____

EXHIBIT B

Units are each of the One Hundred and Twenty (120) 110 ton all steel underframe, aluminum bodied, riveted side, through center sill, open top coal cars with a twin rounded bottom, designed for rotary dump service, BethGon Coalporter cars with road numbers WFAX90000 through WFAX90119 inclusive.

Manufacturer: Bethlehem Steel Corporation

Unit Car Cost: \$48,034.50

Total Equipment Cost Of the Units: \$5,764,140.00